

## HIGHER EDUCATIONAL AIDS BOARD

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY03 Adjusted Base	FY04 Recommended	% Change Over FY03	FY05 Recommended	% Change Over FY04
GPR	70,691,000	68,790,900	-2.7	0	-100.0
PR-F	875,800	1,396,400	59.4	0	-100.0
PR-O	1,000	6,454,700	645,370.0	0	-100.0
PR-S	1,191,600	1,191,600	0.0	0	-100.0
SEG-O	76,500	76,800	0.4	0	-100.0
<b>TOTAL</b>	<b>72,835,900</b>	<b>77,910,400</b>	<b>7.0</b>	<b>0</b>	<b>-100.0</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY03 Adjusted Base	FY04 Recommended	FTE Change From FY03	FY05 Recommended	FTE Change From FY04
GPR	11.36	10.36	-1.00	0.00	-10.36
SEG-O	0.64	0.64	0.00	0.00	-0.64
<b>TOTAL</b>	<b>12.00</b>	<b>11.00</b>	<b>-1.00</b>	<b>0.00</b>	<b>-11.00</b>

### AGENCY DESCRIPTION

The board is a part-time independent policy-making board composed of eleven members appointed to serve at the pleasure of the Governor. The Governor appoints one member from the Board of Regents of the University of Wisconsin System; one member from the Wisconsin Technical College System Board; one member who is a trustee of an independent college or university to represent such independent institutions; one student and one financial aid administrator each from within the University of Wisconsin System, Wisconsin Technical College System and independent institutions; one citizen member to represent the general public; and the State Superintendent of public instruction.

The executive secretary is appointed by and serves at the pleasure of the Governor. The executive secretary makes policy recommendations to the board; carries out policy directives from the Governor, Legislature and board; and is responsible for initiating and carrying out all administrative direction and responsibilities of the agency. All 12 other permanent agency staff members are in the classified service. The agency is composed of two areas: programs and policy (student support activities), and administration and fiscal services.

The board administers the state programs of student financial aid, including scholarship, grant and loan programs; the Minnesota-Wisconsin student reciprocity agreement; a contract for dental education services; and the contracts associated with the Medical College of Wisconsin. The agency's activities are organized into two programs. Program one includes the following subprograms which provide financial support to individuals: Academic Excellence Scholarship, Dental Education Contract (Capitation) Program, Handicapped Student Grant, Indian Student Assistance Grant, Minnesota-Wisconsin Reciprocity Program, Minority Undergraduate Grant, Minority Teacher Loan, Talent Incentive Program Grant, Teacher Education Loan, Teacher of the Visually Impaired Loan Program, Wisconsin Higher Education Grant and Wisconsin Tuition Grant. Program two includes the costs of administering the activities grouped under program one along with costs associated with servicing contracts associated with the Medical College of Wisconsin, the Independent

Student Grant, Nursing Student Stipend Loan, Paul Douglas Scholarship, Wisconsin Health Education Assistance Loan and the Wisconsin Nonguarantee Loan.

## **MISSION**

The mission of the board is to ensure that all students be provided equal access and diversity in obtaining a higher education and to make certain the funds for each program the board administers are distributed in a fair, equitable and timely manner.

## **PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES**

### **Program 1: Student Support Activities**

Goal: Keep the best and the brightest in the State of Wisconsin.

Objective/Activity: Academic Excellence Scholarships are awarded to Wisconsin high school seniors who have the highest grade point average in each public and private high school throughout the State of Wisconsin. The number of scholarships each high school is eligible for is based on total student enrollment. In order to receive a scholarship, a student must be enrolled on a full-time basis by September 30th of the academic year following the academic year in which he or she was designated a scholar at a participating University of Wisconsin, Wisconsin technical college or independent institution in the state. The value of the scholarship is \$2,250 per year, to be applied towards tuition. Half of the scholarship is funded by the state, while the other half is funded by the institution.

Goal: Increase the number of minority teachers in the State of Wisconsin.

Objective/Activity: The Minority Teacher Loan Program provides loans to Wisconsin resident, minority, undergraduate juniors or seniors who are enrolled at least half-time in programs leading to teacher licensure at independent or University of Wisconsin institutions. The maximum award per year is \$2,500 with an overall maximum of \$5,000. According to the statutes, a minority student is defined as a student who is either an African American, American Indian, Hispanic, or Southeast Asian from Laos, Cambodia or Vietnam admitted to the United States after December 31, 1975. The student who participates in this program must agree to teach in a Wisconsin school district in which minority students constitute at least 29 percent of total enrollment or in a school district participating in the interdistrict pupil transfer (Chapter 220) program. For each year the student teaches in an eligible school district, 25 percent of the loan is forgiven. If the student does not teach in an eligible district, the loan must be repaid at an interest rate of five percent.

## PERFORMANCE MEASURES

### HISTORICAL DATA

Prog. No.	Performance Measure	Actual 2000
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	53.5%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	59.3%
1.	Percentage of recipients in repayment.	N/A
1.	Percentage of recipient awards forgiven or expected to be forgiven.	71%

Note: Based on fiscal year.

### 2001 AND 2002 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2001	Actual 2001	Goal 2002	Actual 2002
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	53.5%	58%	63.5%	53%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	59.3%	63%	59.3%	56%
1.	Percentage of recipients in repayment.	29%	23%	29%	26%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	71%	77%	71%	74%

Note: Based on fiscal year.

## 2003, 2004 AND 2005 GOALS

Prog. No.	Performance Measure	Projected 2003	Projected 2004	Goal 2005
1.	Percentage of recipients persuaded by scholarship to attend school in Wisconsin.	53%	53%	53%
1.	Percentage of "scholarship recipient graduates" who plan to stay in Wisconsin after graduation.	56%	56%	56%
1.	Percentage of recipients in repayment.	26%	26%	26%
1.	Percentage of recipient awards forgiven or expected to be forgiven.	74%	74%	74%

Note: Based on fiscal year.

## **HIGHER EDUCATIONAL AIDS BOARD**

### **GOVERNOR'S BUDGET RECOMMENDATIONS**

#### **RECOMMENDATIONS**

1. Budget Reorganization – Eliminate Higher Educational Aids Board
2. Wisconsin Higher Education Grant – University of Wisconsin System
3. Dental Education Contract
4. Federal Aid Reestimate
5. Standard Budget Adjustments

#### **ITEMS NOT APPROVED**

6. IT Project Proposal
7. Position Funding Transfer

**Table 1**  
**Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY02	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		BASE FY03	FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	\$65,306.0	\$70,691.0	\$72,602.3	\$74,326.6	\$68,790.9	
State Operations	754.3	752.0	916.1	893.3	704.2	
Aids to Ind. & Org.	64,551.7	69,939.0	71,686.2	73,433.3	68,086.7	
FEDERAL REVENUE (1)	1,146.3	875.8	1,396.4	1,396.4	1,396.4	
Aids to Ind. & Org.	1,146.3	875.8	1,396.4	1,396.4	1,396.4	
PROGRAM REVENUE (2)	1,148.4	1,192.6	1,192.6	1,192.6	7,646.3	
Aids to Ind. & Org.	1,148.4	1,192.6	1,192.6	1,192.6	7,646.3	
SEGREGATED REVENUE (3)	60.1	76.5	73.0	68.9	76.8	
State Operations	60.1	76.5	73.0	68.9	76.8	
TOTALS-ANNUAL	67,660.8	72,835.9	75,264.3	76,984.5	77,910.4	
State Operations	814.4	828.5	989.1	962.2	781.0	
Aids to Ind. & Org.	66,846.4	72,007.4	74,275.2	76,022.3	77,129.4	

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

**Table 2**  
**Department Position Summary by Funding Source (in FTE positions) (4)**

	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
	BASE FY03	FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	11.36	11.36	11.36	10.36	
SEGREGATED REVENUE (3)	0.64	0.64	0.64	0.64	
TOTALS-ANNUAL	12.00	12.00	12.00	11.00	

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

**Table 3  
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY02	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY04	FY05	FY04	FY05
1. Student support activities	\$66,846.4	\$72,006.4	\$74,274.2	\$76,021.3	\$77,128.4	
2. Administration	814.4	829.5	990.1	963.2	782.0	
TOTALS	67,660.8	72,835.9	75,264.3	76,984.5	77,910.4	

**Table 4  
Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY04	FY05	FY04	FY05
2. Administration	12.00	12.00	12.00	11.00	
TOTALS	12.00	12.00	12.00	11.00	

(4) All positions are State Operations unless otherwise specified

**1. Budget Reorganization – Eliminate Higher Educational Aids Board**

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-80,300	-1.00	-68,038,600	-11.36
PR-F	0	0.00	0	0.00	0	0.00	-1,396,400	0.00
PR-O	0	0.00	0	0.00	0	0.00	-15,033,800	0.00
PR-S	0	0.00	0	0.00	0	0.00	-1,191,600	0.00
SEG-O	0	0.00	0	0.00	0	0.00	-76,800	-0.64
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>-80,300</b>	<b>-1.00</b>	<b>-85,737,200</b>	<b>-12.00</b>

The Governor recommends eliminating the Higher Educational Aids Board as a separate agency effective July 1, 2004. Existing financial aid programs with a FY05 funding totaling \$84.9 million and 2.0 FTE positions and related funding will be transferred to the University of Wisconsin System. Also, 2.0 FTE positions and related funding will be transferred to the Department of Administration to work with the University of Wisconsin System to administer these financial aid programs. These Department of Administration positions will ensure fair treatment by the University of Wisconsin System for the programs being administered on behalf of private institutions, the Wisconsin Technical College System and the programs affecting Native American students. See University of Wisconsin System, Item #2.

**2. Wisconsin Higher Education Grant – University of Wisconsin System**

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	1,747,200	0.00	3,494,300	0.00	-1,093,700	0.00	-1,912,800	0.00
PR-O	0	0.00	0	0.00	6,453,700	0.00	15,032,800	0.00
<b>TOTAL</b>	<b>1,747,200</b>	<b>0.00</b>	<b>3,494,300</b>	<b>0.00</b>	<b>5,360,000</b>	<b>0.00</b>	<b>13,120,000</b>	<b>0.00</b>

The Governor recommends adjusting the funding of the Wisconsin Higher Education Grant-University of Wisconsin (WHEG-UW) System student grant program by reducing the GPR appropriation (-\$1,093,700 GPR in FY04 and -\$1,912,800 GPR in FY05) and creating a WHEG-UW auxiliary enterprises appropriation (\$6,453,700 PR in FY04 and \$15,032,800 PR in FY05). The new appropriation will supplement the grants provided by the GPR-funded program. This will provide an overall increase to the WHEG-UW program of \$5,360,000 (24.5 percent) in FY04 and \$13,120,000 (28.5 percent over prior year) in FY05. Given the tuition increases that may be required at University of Wisconsin System campuses, additional financial aid will reduce the impact of these increases on students with financial need.

**3. Dental Education Contract**

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-758,600	0.00	-758,600	0.00
TOTAL	0	0.00	0	0.00	-758,600	0.00	-758,600	0.00

The Governor recommends reducing this appropriation by 50 percent. While the Governor supports efforts to provide financial aid to Wisconsin residents attending the Marquette University Dental School, closing the state's budget deficit requires reductions to this program.

**4. Federal Aid Reestimate**

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	520,600	0.00	520,600	0.00	520,600	0.00	520,600	0.00
TOTAL	520,600	0.00	520,600	0.00	520,600	0.00	520,600	0.00

The Governor recommends adjusting the board's expenditure authority for federal appropriations based on reestimates of funding.

**5. Standard Budget Adjustments**

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	32,500	0.00	19,000	0.00	32,500	0.00	19,000	0.00
SEG-O	300	0.00	300	0.00	300	0.00	300	0.00
TOTAL	32,800	0.00	19,300	0.00	32,800	0.00	19,300	0.00

The Governor recommends adjusting the board's base budget for: (a) full funding of continuing salaries and fringe benefits (\$100 in each year); (b) reclassifications and semiautomatic pay progression (\$3,900 in each year); (c) BadgerNet increases (\$26,600 in FY04 and \$13,100 in FY05); and (d) full funding of lease and direct moves costs (\$2,200 in each year). These changes will fully fund those positions and functions that will be transferred to the University of Wisconsin System (see Item #1).

### ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Higher Educational Aids Board.

Decision Item	Source of Funds	FY04		FY05	
		Dollars	Positions	Dollars	Positions
6. IT Project Proposal	GPR	127,800	0.00	114,400	0.00
7. Position Funding Transfer	GPR	3,800	0.00	7,900	0.00
	SEG-O	-3,800	0.00	-7,900	0.00
TOTAL OF ITEMS NOT APPROVED	GPR	131,600	0.00	122,300	0.00
	SEG-O	-3,800	0.00	-7,900	0.00